

Appendix 3:

**Conflict of Interest
Regulations
Improvement
Project Phase 2
Amendment to
Reg. 18704.2**

Amend 2 Cal. Code of Regs. Section 18704.2 to read:

18704.2. Determining Whether Directly or Indirectly Involved in a Governmental

Decision: Interest in Real Property.

(a) ~~An interest in real property~~ Real property in which a public official has an economic interest, is directly involved in a governmental decision ~~under the following circumstances: if that real property is the subject of the governmental decision, or if any part of that real property is located within 500 feet of the boundaries (or proposed boundaries) of the real property which is the subject of the governmental decision.~~ Real property is the "subject of the governmental decision" if:

- (1) The governmental decision involves the zoning or rezoning, annexation or deannexation, sale, purchase, or lease, or inclusion in or exclusion from any city, county, district or other local governmental subdivision, of the real property in which the official has a direct or indirect interest (other than a leasehold interest) of \$1,000 or more, or a similar decision affecting such real property;
- (2) The governmental decision involves the issuance, denial or revocation of a license, permit or other land use entitlement authorizing a specific use or uses of such property;
- (3) The governmental decision involves the imposition, repeal or modification of any taxes or fees assessed or imposed on such property; or
- (4) The governmental decision is to designate the survey area, to select the project area, to adopt the preliminary plan, to form a project area committee, to certify the environmental document, to adopt the redevelopment plan, to add territory to the redevelopment area, or to rescind or amend any of the above decisions; and real property in which the official has an interest, or any part of it is located within the boundaries (or the proposed boundaries) of the redevelopment area. For purposes of this subsection, real property is located "within 500 feet of the boundaries (or proposed boundaries) of the real property which is the subject of the governmental decision" if any part of the property is within 500 feet of the boundaries (or proposed boundaries) of the redevelopment project area.
- (5) The decision involves construction of, or improvements to, streets, water, sewer, storm drainage or similar facilities, and the real property will receive new or improved services. As used in this subdivision, "new or improved services" do not include repairs, replacement, or maintenance of existing services.
- ~~(5)~~ (6) For purposes of this subdivision, the terms "zoning" and "rezoning" shall refer to the act of establishing or changing the zoning or land use designation on the subject property. The terms "zoning" and "rezoning" shall not refer to an amendment of an existing zoning ordinance or other land use regulation (such as changes in the uses permitted, or development standards applicable, within a particular zoning category) which is applicable to all other

properties designated in that category, which shall be analyzed under Title 2, California Code of Regulations, section 18705.2(b)~~(c)~~.

(b) Determining the applicable materiality standard.

(1) If ~~a~~ the real property in which the public official has an economic interest is directly involved in a governmental decision, apply the materiality standards in California Code of Regulations, Title 2, section 18705.2(a).

(2) If a real property interest is not directly involved in a governmental decision, apply the materiality standards in California Code of Regulations, Title 2, section 18705.2(b)~~or (c)~~.

Note: Authority: Section 83112, Government Code.

Reference: Sections 87100, 87102.5, 87102.6, 87102.8 and 87103, Government Code.